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SOUTH CAROLINA STATE DEVELOPMENT BOARD

**ANNUAL REPORT
1973-74**



Printed Under the Direction of the
State Budget and Control Board

SOUTH CAROLINA STATE DEVELOPMENT BOARD

ANNUAL REPORT 1973-74



1st	Henry Tecklenburg	Chairman
2nd	Harold J. Ness	Member
3rd	C. C. Goodson	Member
4th	Harold T. Wiley	Member
5th	William C. ...	Member
6th	J. R. Evans	Member
7th	Louis C. ...	Member
8th	Richard T. Townsend	Member
9th	Robert L. Wingard	Member
10th	Pete J. Stathakis	Member
11th	J. M. ...	Member
12th	Robert L. Jolly	Member
13th	Sapp Funderburk	Member
14th	Elrid Moody	Member
15th	Dr. Edward L. Proctor	Member
16th	James C. Rhea, Jr.	Member

Printed Under the Direction of the
State Budget and Control Board

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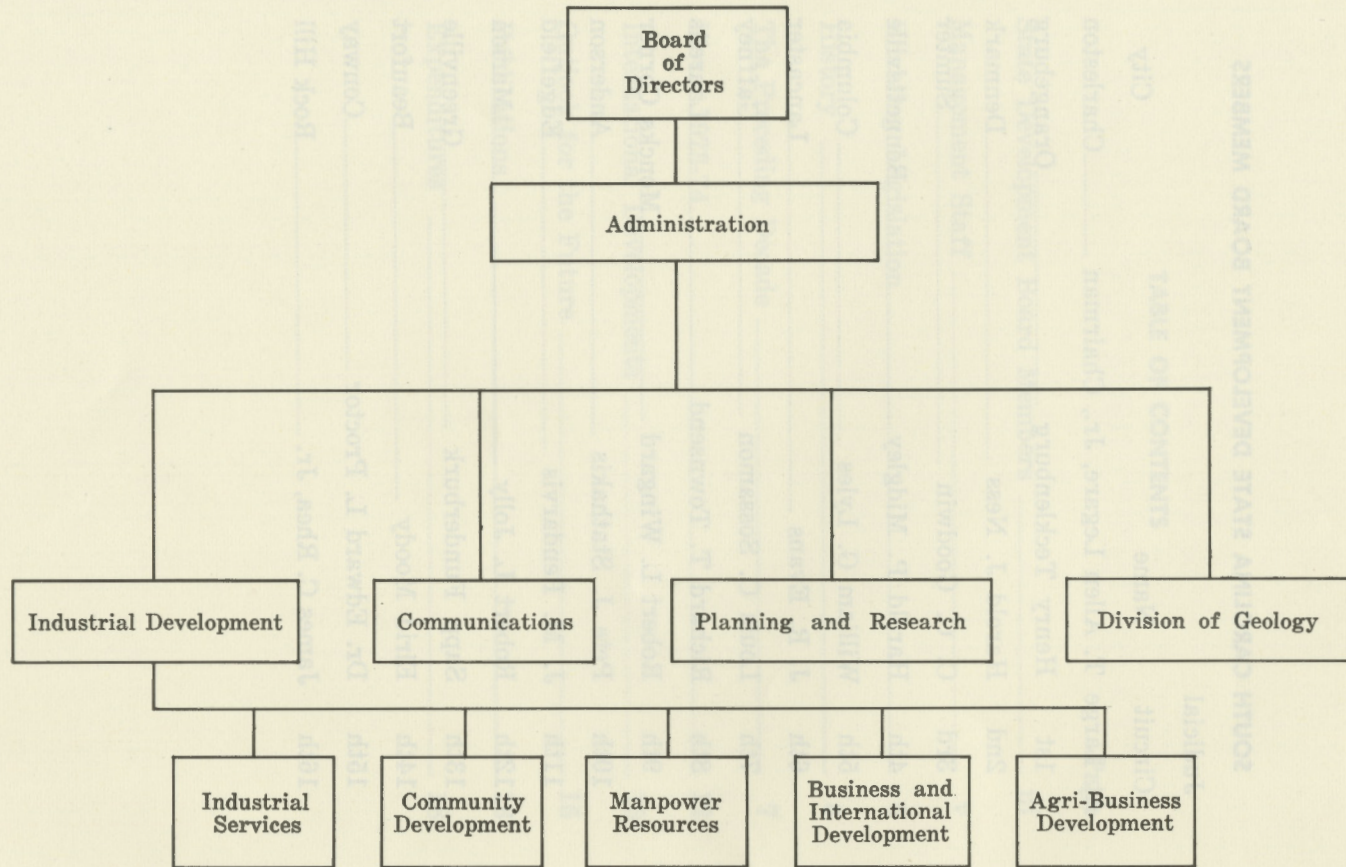
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SOUTH CAROLINA STATE DEVELOPMENT BOARD MEMBERS

Judicial

Circuit	Name	City
At Large	T. Allen Legare, Jr., Chairman	Charleston
1st	Henry Tecklenburg	Orangeburg
2nd	Harold J. Ness	Denmark
3rd	C. C. Goodwin	Sumter
4th	Harold P. Midgley	Bennettsville
5th	William G. Lyles	Columbia
6th	J. R. Evans	Lancaster
7th	Louis C. Sossamon	Gaffney
8th	Richard T. Townsend	Laurens
9th	Robert L. Wingard	Moncks Corner
10th	Pete J. Stathakis	Anderson
11th	J. M. Pendarvis	Edgefield
12th	Robert L. Jolly	Marion
13th	Sapp Funderburk	Greenville
14th	Elrid Moody	Beaufort
15th	Dr. Edward L. Proctor	Conway
16th	James C. Rhea, Jr.	Rock Hill

SOUTH CAROLINA DEVELOPMENT BOARD ORGANIZATIONAL CHART



MANAGEMENT STAFF OF THE SOUTH CAROLINA

STATE DEVELOPMENT BOARD

W. Milton Folds	Director
F. Earl Ellis	Deputy Director
Wesley M. Pitts	Associate Director for Industrial Development
G. L. Daniel	Associate Director for Communications
Edward B. Burgess	Associate Director for Planning and Research
N. K. Olson	Manager, State Geology
P. M. Smurthwaite	Manager Industrial Services
M. C. Gravely, Jr.	Manager Community Development
Howard R. Folkman	Manager Manpower Resources
Caleb C. Whitaker III	Manager Business and International Development
Robert H. Whitaker	Manager, Agri-Business Development

ENABLING LEGISLATION

The South Carolina State Development Board was created for the purpose of conducting an adequate Statewide planning program and Statewide program for the stimulation of economic activity to develop the potentialities of the State; to conserve, restore and develop the natural and physical, the human and social, the economic and productive resources of the State; to promote public interest in the development of the State, through cooperation with public agencies, private enterprises, and charitable and social institutions; to promote and encourage industrial development, private business and commercial enterprise, agricultural production, transportation, the utilization and investment of capital within the State; to assist in the development of existing State and interstate trade, commerce and markets for South Carolina goods; and in the removal of barriers to the industrial, commercial and agricultural development of the State; to assist in insuring stability in employment; to increase the opportunities for employment of the citizens of the State; to devise ways and means to raise the living standards of the people of the State; and to advance the general welfare of the people.

HISTORY

The South Carolina State Development Board was created originally in 1942 as the Preparedness for Peace Commission. In 1945 enabling legislation was amended and the agency's name changed to the Department of Research, Planning and Development. Under the 1945 Amendment, the State Development Board assumed the responsibilities of the State Board of Housing, The Building Council of South Carolina, the South Carolina Commerce Department Board, the South Carolina Intra-Coastal Waterway Commission, The State Commission of Port Development, The South Carolina Board for Promotion of External Trade, and the Natural Resources Commission.

Since the 1945 Amendment, many of the responsibilities of the State Development Board have been transferred to other agencies by executive order and legislative amendments. Under Act 682, 1954, the name of the agency was changed from Department of Research, Planning and Development to The State Development Board.

THE PRECEDING DECADE

Enlightened budgeting, enthusiastic cooperation from public and private development interests, and its own intensified efforts have enabled The State Development Board to play a central role in the economic growth of the state.

The results have been impressive. Total personal income, one of the best measures of economic well-being, grew from \$4.0 billion in 1963 to \$10.6 billion in 1973 for an increase of 166%. Similarly, per capita income in the state climbed from \$1,619 in 1963 to \$3,882 in 1973, a 140% increase. Percentage changes for the Southeast in these two indicators for the same period were the highest of any region, showing a gain of 160% and 129%, respectively. Nationally, personal income increased by 127% and per capita income by 104%. Expressed as a percentage of the national level per capita income in South Carolina moved from within 34% to within 23% of the national average. Retail sales in the state for the same period were up 176% and bank deposits showed an increase of 171%.

Basic industries, those that produce primarily for markets in other areas, including foreign countries, are a key source of economic expansion. In South Carolina, such industries include manufacturing, farming and the Federal sector. Manufacturing in the state has exhibited substantial growth as well as increased diversification and a higher ratio of capital to labor over the past ten years. From 1964 through 1973, announced investment in new and expanded plants in South Carolina totaled more than \$5.5 billion creating more than 162,000 new jobs. (*see table 1 page 8*)

In 1963, 269,800 persons were employed in manufacturing in the state. By the end of 1973, growth in this sector had created an additional 105,900 jobs, bringing the total number employed to 375,700. These figures represent a 39% increase in manufacturing employment for the ten year period, compared to a 17% increase for the nation.

Growth, of course, swells revenues as well as payrolls. During the same period, manufacturers property assessments increased by 121%, manufacturing income tax revenues by 111% and corporation income tax revenues by 237%.

The character and composition of growth are as important as the fact of growth. In manufacturing, two trends character-

istic of earlier years continue to be significant: diversification and increased investment by capital-intensive industries.

TABLE 1
ANNOUNCED CAPITAL INVESTMENT IN SOUTH CAROLINA
BY MANUFACTURING INDUSTRY 1964 - 1973

Industry	Number of New & Expanded Plants	Employment	Investment (\$000)
Food and Kindred Products...	72	4,252	63,700
Textile	453	38,516	929,749
Apparel	227	21,868	81,371
Lumber and Wood Products	151	6,909	126,320
Paper, Printing and Allied	96	3,839	351,060
Chemical and Allied	166	27,073	2,460,760
Stone, Clay and Glass	78	2,590	136,690
Metalworking	425	47,850	1,089,476
Remaining*	118	9,311	323,909
TOTAL	1,786	162,208	5,563,035

*Includes tobacco, petroleum, rubber and plastics, leather and miscellaneous industries.

Source: Planning and Research Division, South Carolina State Development Board

TABLE 2
PERCENTAGE DISTRIBUTION OF ANNOUNCED
CAPITAL INVESTMENT AND EMPLOYMENT
IN SOUTH CAROLINA 1964 - 1973

Industry	% Total Employment	% Total Investment
Food	2.6	1.1
Textiles	23.8	16.7
Apparel	13.5	1.5
Wood and Furniture	4.2	2.3
Paper, Printing and Allied	2.4	6.3
Chemical and Allied	16.7	44.2
Stone, Clay & Glass	1.6	2.5
Metalworking	29.4	19.6
Remaining	5.8	5.8
TOTAL	100.0	100.0

Substantial investment in such industries as chemicals, fabricated metals and electrical and nonelectrical machinery has produced a broader, more diversified industrial base. Total investment in chemical and allied products for the preceding ten years amounted to almost \$2.5 billion, while investment in metalworking, which includes fabricated metals, electrical and nonelectrical machinery, approached \$1.1 billion. Combined investments in chemicals and metalworking from 1964 through 1973 comprised nearly two-thirds of the total manufacturing investment for that period. Chart 1, page 10 demonstrates the diversification trend.

Another significant trend has been the increase in manufacturing investment relative to manufacturing employment, a reflection of more investment in capital-intensive industries in this sector. (*see chart 2 page 11*)

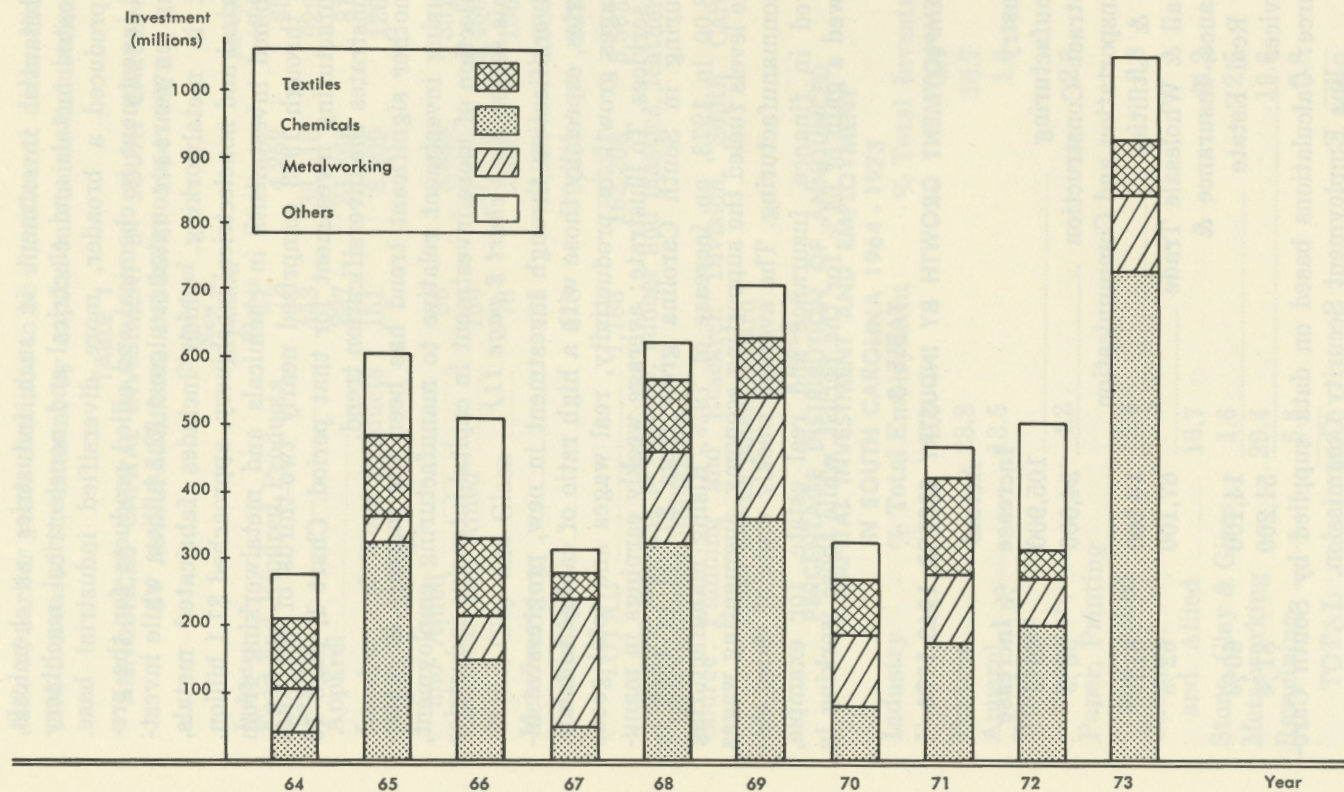
Diversification through investment in new, progressive industries, especially those with a high ratio of capital to labor, presages growth in productivity, real wages and total goods and services. To illustrate: average weekly earnings in manufacturing in South Carolina grew from \$77.00 in 1963 to \$138.00 in 1973, an increase of 79%. Rising manufacturing wage levels fueled the supporting economy, augmenting wages in nonmanufacturing. The average weekly wage of those employed in finance, insurance and real estate, for example, showed a gain of 64% for the period, while those working in

TABLE 3
EMPLOYMENT GROWTH BY INDUSTRY SECTOR 1963-1973

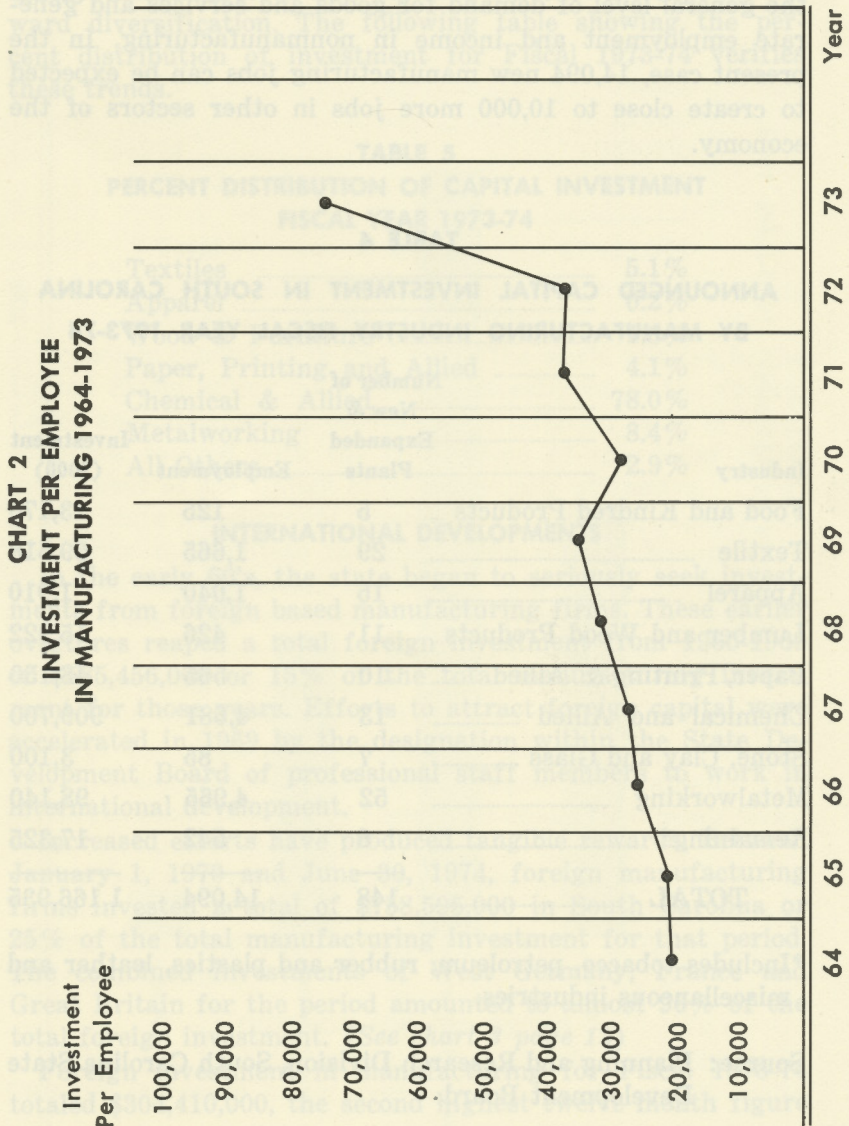
Industry	Actual Increase	% Increase
Manufacturing	105,900	39%
Contract Construction	34,000	96%
Transportation and Communication & Utilities	16,100	61%
Retail & Wholesale Trade	67,100	62%
Finance, Insurance & Real Estate	14,100	60%
Services	51,200	81%

Source: Calculations based on data supplied by South Carolina Employment Security Commission.

CHART 1
GROWTH IN MANUFACTURING BY MAJOR INDUSTRY
IN SOUTH CAROLINA 1964-1973



retail trade enjoyed a gain of 68% and those in transportation, communications and utilities, 80%. In nonmanufacturing as a whole, weekly earnings climbed 77% between December, 1963 and December, 1973. Though adjusting for inflation reduces the above percentage gains by half, the revised figures still represent substantial real wage gains for the sectors.



FISCAL 1973-74

Fiscal year 1973-74 stands as the most successful year yet for industrial development in South Carolina. Announced investment in new and expanded manufacturing facilities reached a record-breaking \$1,166,935,000, promising 14,094 new jobs. Increases in manufacturing payrolls, in turn, raise the general level of demand for goods and services and generate employment and income in nonmanufacturing. In the present case, 14,094 new manufacturing jobs can be expected to create close to 10,000 more jobs in other sectors of the economy.

TABLE 4

**ANNOUNCED CAPITAL INVESTMENT IN SOUTH CAROLINA
BY MANUFACTURING INDUSTRY FISCAL YEAR 1973-74**

Industry	Number of New & Expanded Plants	Employment	Investment (\$000)
Food and Kindred Products ...	5	125	13,170
Textile	29	1,665	59,518
Apparel	15	1,040	1,910
Lumber and Wood Products...	11	426	15,922
Paper, Printing & Allied	10	565	48,150
Chemical and Allied	13	4,681	909,700
Stone, Clay and Glass	7	85	3,100
Metalworking	52	4,965	98,140
Remaining*	6	542	17,325
TOTAL	148	14,094	1,166,935

*Includes tobacco, petroleum, rubber and plastics, leather and miscellaneous industries.

Source: Planning and Research Division, South Carolina State Development Board.

When comparing the present fiscal year with the previous one, it is interesting to note that more manufacturing investment has generated less manufacturing employment. Specifically, total investment increased by 33% while the total number of new jobs fell by 12%. These figures reflect the heavy concentration of investment in capital-intensive industry. Fiscal 1973-74 also reflects the continuing trend toward diversification. The following table showing the percent distribution of investment for Fiscal 1973-74 verifies these trends.

TABLE 5
PERCENT DISTRIBUTION OF CAPITAL INVESTMENT
FISCAL YEAR 1973-74

Textiles	5.1%
Apparel	0.2%
Wood & Furniture	1.3%
Paper, Printing and Allied	4.1%
Chemical & Allied	78.0%
Metalworking	8.4%
All Others	2.9%

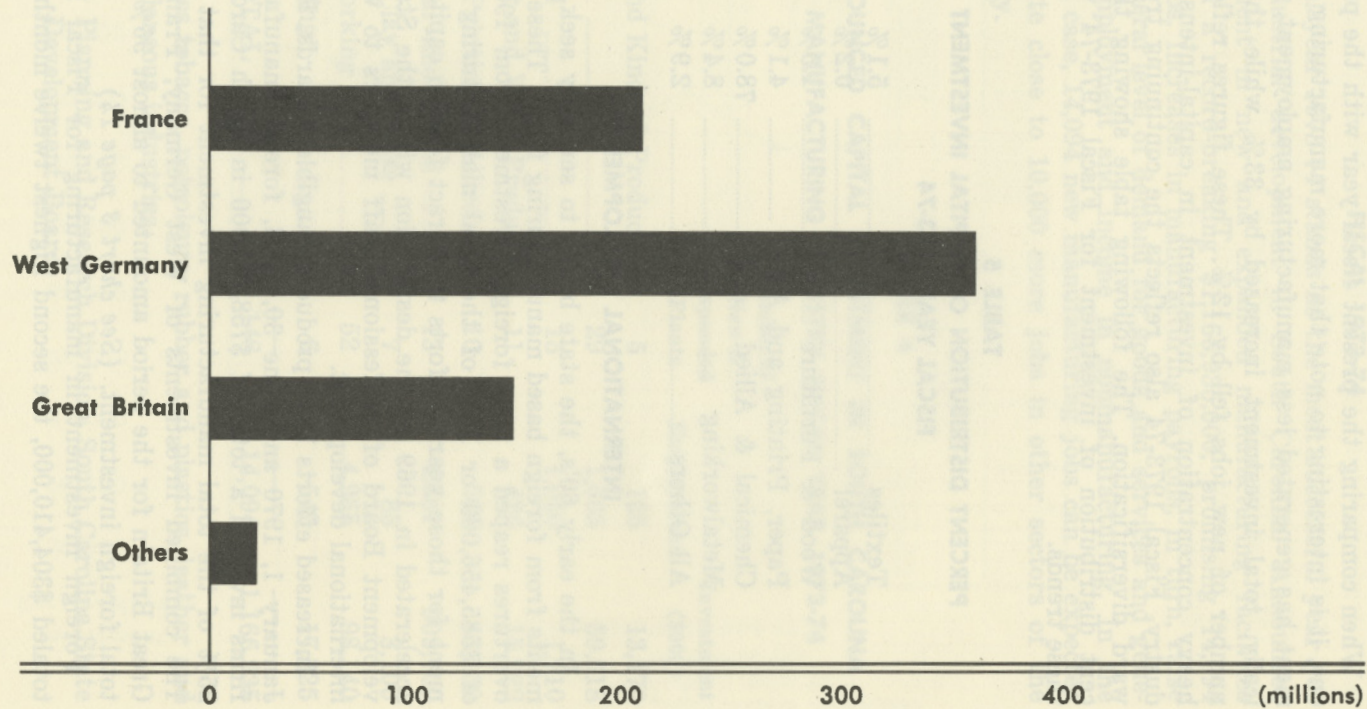
INTERNATIONAL DEVELOPMENTS

In the early 60's, the state began to seriously seek investments from foreign based manufacturing firms. These earlier overtures reaped a total foreign investment from 1960-1969 of \$585,456,000 or 15% of the total manufacturing investment for those years. Efforts to attract foreign capital were accelerated in 1969 by the designation within the State Development Board of professional staff members to work in international development.

Increased efforts have produced tangible rewards. Between January 1, 1970 and June 30, 1974, foreign manufacturing firms invested a total of \$758,595,000 in South Carolina or 25% of the total manufacturing investment for that period. The combined investments of West Germany, France and Great Britain for the period amounted to almost 96% of the total foreign investment. (*See chart 3 page 14*)

Foreign investment in manufacturing for Fiscal 1973-74 totaled \$304,410,000, the second highest twelve month figure

CHART 3
VALUE OF FOREIGN INVESTMENTS 1970-JUNE 1974



in the history of the State Development Board. This sum represents 26% of total investments for the fiscal year.

TABLE 6
VALUE OF FOREIGN INVESTMENTS BY YEAR
(Thousands of Dollars)

Prior to 1960	\$ 79,560
Total 1960 - 1969	585,456
1970	72,300
1971	4,635
1972	61,900
1973	340,660
1974 (Jan - June)	279,100
<hr/>	
Total	\$1,423,611

Source: Planning and Research Division South Carolina State Development Board—June 1974

Economic conditions in the rest of the world relative to the United States augur more foreign investment in the future. Labor and management problems and inflation rates in other countries coupled with the devaluation of the dollar make investment in the United States especially attractive.

The State Development Board works with the State Ports Authority to facilitate the channeling of Far Eastern and European manufacturing investment into South Carolina.

A foreign office was established in Tokyo in 1973, operated jointly by the Development Board and the Ports Authority. A similar office was opened in Brussels in 1974.

Another cooperative project well on the way to fruition involves the designation of certain points in the state as foreign-trade zones and sub-zones. Various exemptions and privileges made possible by such zones enable businesses using them to realize higher profits.

The existence of foreign-trade zones in South Carolina is expected to boost trade and commerce with other countries, further enhancing South Carolina's position in international trade and business.

OUTLOOK FOR THE FUTURE

During the past ten years, per capita income for South Carolina increased at an average annual rate of 9% while

the national rate for the same period was 7%. Given these rates, per capita income in the state will be approximately \$9,200 by 1983, or 93% of the projected figure for the United States. This means per capita income in South Carolina will not reach the national average until sometime in 1987, all things being equal. At present, the state still ranks 47th in per capita income.

The message is clear: regardless of the impressive growth of the previous decade and the past fiscal year, the struggle for national parity—much less a place of preeminence—has just begun. Only sufficiently accelerated development can telescope the arduous task of catching up.

Certain foreboding signs on the economic horizon suggest that maintaining an adequate rate of growth in the future may challenge our ingenuity as never before. The earth's supply of fossil fuels, metals and other selected raw materials is finite. Nationwide shortages of nearly all minerals have been forecast for the next two decades. The energy crunch has clearly demonstrated the dismal impact of such circumstances on a highly industrialized society. Even if caution is observed and the technology of exploration and use improves, shortages of some degree may be the rule rather than the exception until the reliance on known sources of supply is lessened by the development of new sources of energy and materials.

Meanwhile, shortages of various kinds coupled with rampant world inflation and rising unemployment are creating an ominous prognosis.

South Carolina will not be exempt from the adverse effects of recession and inflation; however, there are ways to minimize these effects.

For one thing, more consideration will have to be given to the energy requirements of potential industries, with priority going to the lower energy users. At the same time, preference in the selection of industries must be given to progressive, capital-intensive enterprises that generate higher wages and real income. Optimalization of the trade-off implied here is critical.

On the labor front, unemployment and underemployment

must be held down. Every effort must be made to provide productive jobs for the jobless, particularly for the structurally unemployed who comprise such a large part of the unemployment rates of rural as well as urban areas.

Finally, consideration for the environment must stand at the forefront of all economic decisions. Ironically, South Carolina's late industrialization eases the work of reclaiming and preserving the ecological balance.

Fortunately for South Carolinians, the State Development Board has made clean environment the sine qua non of growth. Expansion and prosperity with ecology are the basic themes of the formula for economic development in the future.

PUBLICATIONS OF

THE SOUTH CAROLINA STATE DEVELOPMENT BOARD

South Carolina Industrial Directory
 South Carolina: Resource for Industry
 South Carolina Statistics
 South Carolina Metalworking Directory
 South Carolina Economic Trends
 South Carolina Industrial Services and Suppliers Catalog
 South Carolina Industrial Atlas
 Taxes in South Carolina
 Technical Training in South Carolina
 If Your Business is Going Places
 No-Situs Law
 Industrial Financing in South Carolina
 South Carolina: Gateway to United States Markets
 Growing Opportunities in South Carolina
 Directory of Agricultural Industries in South Carolina
 Geologic Notes
 Geologic Bulletins
 Geologic Resource Maps
 Environmental Geology Series
 Mineral Resources Series
 Reprint Series (Geologic Papers and Articles)
 Catalog of Geologic Publications
 Directory of South Carolina Mineral Producers
 Field Trip Guide Books

STATE DEVELOPMENT BOARD EXPENDITURES 1973-74

ADMINISTRATION	\$ 648,994
INDUSTRIAL DEVELOPMENT	974,047
DIVISION OF GEOLOGY	63,945
TOTAL EXPENDITURES	\$1,686,986